STRAIN, DENNIS & BATES, L.L.P.

ATTORNEYS AND COUNSELORS AT LAW

318 ST. CHARLES STREET
BATON ROUGE, LOUISIANA 70802
TELEPHONE (225) 343-0100
FAX (225) 343-0344
E-MAIL bates@sdmblaw.com

JAMES C. BATES
PARTNER
BATON ROUGE OFFICE

OFFICE OF CONSERVATION

RIEINIT LIPIT VI

JHW
FJB
GEO DIV
CODW
WGH
WSW

FILE
P. O. BOX 53319
DEGENOME, LOUISIANA 70505-3319
TELEPHONE (337) 23 -3900
FAX (937) 23 -3900

August 25, 2006

Hon. James H. Welsh Commissioner of Conservation 617 N. Third Street, 9th Floor Baton Rouge, Louisiana 70802

Re: F RA SUA and F RA SUB, Frio Zone; U Wx RC SUQ through U Wx RC SUJJ, Upper Wilcox Zone; in the Pine Prairie Field, Evangeline Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of MidStates Petroleum Corporation to the Commissioner of Conservation for the calling of a public hearing, after legal notice, pertaining to the following matters relative to the FRA SUA and FRA SUB, Frio Zone; and U Wx RC SUQ through U Wx RC SUJJ, Upper Wilcox Zone; in the Pine Prairie Field, Evangeline Parish, Louisiana:

Frio Zone, Reservoir A

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Frio Zone, Reservoir A, Pine Prairie Field, Evangeline Parish, Louisiana;
- 2. To create two (2) drilling and production units for the exploration for and production of oil and gas from the Frio Zone, Reservoir A, such units being designted F RA SUA and F RA SUB, as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
- 4. To allow the Commissioner of Conservation to reclassify the reservoir by supplemental order, without the necessity of a public hearing, should the producing characteristics of the reservoir change and evidence to justify

reclassification is submitted to and accepted by the Commissioner of Conservation;

- 5. That all wells drilled to the Frio Zone, Reservoir A, be exempt from the spacing provisions of Statewide Order 29-E;
- 6. To consider such other matters as may be pertinent to the F RA SUA and F RA SUB.

The Frio Zone, Reservoir A, in the Pine Prairie Field, is hereby defined as being that oil and gas bearing zone encountered between the measured depths of 5208 feet and 6560 feet in the Humble Oil and Refining Company - R. D. Guillory No. 2 Well, located in Section 36, Township 3 South, Range 1 West, Evangeline Parish, Louisiana.

Upper Wilcox Zone, Reservoir C

- 1. To create twenty (20) additional drilling and production units for the Upper Wilcox Zone, Reservoir C, such units being designated U Wx RC SUQ through U Wx RC SUJJ, as shown on the plat attached hereto;
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
- 3. To allow the Commissioner of Conservation to reclassify the reservoir by supplemental order, without the necessity of a public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 4. That future wells drilled to and existing wells recompleted in the Upper Wilcox Zone, Reservoir C, be exempt from the spacing provisions of Statewide Order 29-E;
- 5. To consider such other matters as may be pertinent to the Upper Wilcox Zone, Reservoir C.

The Upper Wilcox Zone, Reservoir C, in the Pine Prairie Field, Evangeline Parish Louisiana, were previously defined in Office of Conservation Order No. 32-K-4, effective May 28, 1985.

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The pre-application conference was held as scheduled. In attendance were the parties shown on the attached attendance list. After the conference was opened by the undersigned, Mr. Bill Robbins of W. H. Robbins & Associates, consulting geologist for the applicant, discussed the bases of the applicant's proposal and answered questions pertaining thereto. Mr. David Comeaux, consulting geologist for Inexco, presented a counterplan for the Upper Wilcox units only, which differed in the configuration of SU T, V, HH and JJ. The parties were unable to resolve their differences at the conference, but will continue to try to reach a resolution. After further discussion, questions and answers the conference was adjourned. At this time it is unknown whether there will be opposition at the hearing.

In addition to furnishing the legal notice to all Interested Owners, Represented Parties and Interested Parties, the applicant will provide for posting of the legal notice and unit plat in a prominent place in the area of Pine Prairie Field. Additionally, the legal notice will be published in a newspaper of general circulation in the vicinity of Pine Prairie Field at least fifteen (15) days before the hearing date.

All pertinent data relating to this proposed application may be obtained **AT THE COST OF THE REQUESTING PARTY** from W. H. Robbins & Associates, 302 LaRue France, Suite 100, Lafayette, Louisiana, 70508, (337) 232-5004.

Enclosed to the Commissioner of Conservation and District Manager **ONLY** is a list of Interested Owners, Interested Parties and Represented Parties to whom a copy of this notice is being sent, as well as plats of the proposed units, which are the same plats attached to the pre-application notice. Copies of the list and plats will be provided upon request. A reasonable effort has been made to ascertain the names and addresses of all Interested Owners, Interested Parties or Represented Parties. Also enclosed is our check payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

STRAIN, DENNIS & BATES, L.L.P.

JCB/cmf encls.

cc:

Mr. Richard Hudson District Manager

Interested Parties Interested Owners Represented Parties



